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**RESOLUTION OF THE VERMONT ASSOCIATION OF BROADCASTERS  
OPPOSING THE PROPOSED MERGER OF  
XM AND SIRIUS SATELLITE RADIO COMPANIES**

March 29, 2007

**WHEREAS**, The Vermont Association of Broadcasters is a trade association consisting of 79 members in the state of Vermont representing radio and television stations and companies and individuals that supply and use broadcast-related, post-production, multimedia and telecommunications equipment and services, and

**WHEREAS**, the Vermont Association of Broadcasters believes that such a merger creating a total government-sanctioned monopoly in the satellite radio market will be harmful to consumers, broadcasters and the public because the resulting monopoly:

- violates current Federal Communications rules prohibiting only one provider of satellite radio in the satellite radio market;
- will be able to exercise unlimited market power which will allow it to raise subscription rates without limit, reduce program diversity and cause subscribers to incur long-run equipment costs;
- will be able to monopolize national and regional programming such as sports and entertainment events through exclusive arrangements;
- will exploit its monopoly power and unfairly compete with other media for national advertising by offering artificially low (subsidized) advertising rates; and
- will cross-subsidize its offering of new services and unfairly compete with local radio stations through its monopolization of the only national multi-channel, mobile, radio service in the country.

**WHEREAS**, in 1997 when the Federal Communications Commission first considered the issuance of licenses for satellite radio services, Sirius' predecessor filed comments with the Commission arguing that multiple providers were necessary to assure competition, guarantee program diversity and expressing concern that allowing mergers such as this to occur in the future would "have serious anticompetitive repercussions", and

the satellite radio market has not changed significantly to justify altering federal regulatory prohibitions against such mergers; and

given the past history of violating Federal Communications Commission rules by both XM and Sirius there is ample cause to be concerned and alarmed that any concessions agreed to by the merging parties will not be fulfilled; and

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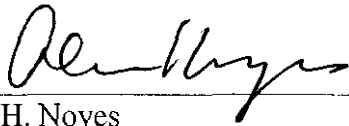
**WHEREAS**, the Vermont Association of Broadcasters believes that competition is the cornerstone to an efficient and fair marketplace and that it is wrong for the government to sanction a monopoly in the satellite radio market and thereby disadvantage consumers, musicians, broadcasters and the public, now, therefore, be it

**RESOLVED** by the Vermont Association of Broadcasters, that the Congress. The Federal Communications Commission and the Attorney General **for** the State of Vermont be urged to **oppose** any merger between the only two competing satellite radio companies and refrain from sanctionng a monopoly that such a merger will create; and

**RESOLVED FINALLY**, that the Executive Director of The Vermont Association of Broadcasters transmit copies **of** this resolution to the

- o Attorney General of Vermont,
- o Members of the Vermont Congressional Delegation, and
- o Chairman **of** the Federal Communications Commission

so they may be apprised of the sense of the Vermont Associatn of Broadcasters in this matter.



Alan H. Noyes  
Executive Director  
Vermont Association of Broadcasters



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